

HR 1299 IH

107th CONGRESS

1st Session

H. R. 1299

To amend the Internal Revenue Code of 1986 to allow a refundable credit to members of the Armed Forces who serve on active duty during a taxable year.

IN THE HOUSE OF REPRESENTATIVES

March 29, 2001

Mr. CAPUANO (for himself, Mr. STUPAK, Mrs. THURMAN, Mr. KING, and Mr. BRADY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable credit to members of the Armed Forces who serve on active duty during a taxable year.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Military Tax Credit Act of 2001'.

SEC. 2. REFUNDABLE CREDIT FOR ACTIVE DUTY MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL- Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

`SEC. 35. ACTIVE DUTY MEMBERS OF THE ARMED FORCES.

`(a) IN GENERAL- In the case of an individual who is an eligible member of the Armed

Forces at any time during the taxable year, there shall be allowed as a credit against the tax imposed by this subtitle the amount determined under subsection (b).

`(b) AMOUNT OF CREDIT-

`(1) IN GENERAL- The amount of credit determined under this subsection for a taxable year is--

`(A) except as otherwise provided in this paragraph, \$2,800,

`(B) \$4,000, in the case of a joint return,

`(C) \$2,000 in the case of a taxpayer who--

`(i) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

`(ii) does not live apart from his spouse at all times during the taxable year.

`(2) PARTIAL YEARS- In the case of an individual who is an eligible member of the Armed Forces for less than an entire taxable year, the amount of credit determined under this subsection is the amount which bears the same ratio to the amount determined under paragraph (1) as the number of days during the taxable year that the individual is such an eligible member bears to 365.

`(c) DEFINITIONS- For purposes of this section--

`(1) ELIGIBLE MEMBER OF THE ARMED FORCES- The term `eligible member of the Armed Forces' means, with respect to any day, any officer or enlisted member of the Armed Forces serving on active duty on such day.

`(2) ACTIVE DUTY- The term `active duty' means active duty for a period of more than 30 days or full-time National Guard duty.

`(3) OTHER DEFINITIONS- The terms `active duty for a period of more than 30 days', `Armed Forces', `enlisted member', `full-time National Guard duty', and `officer' have the meanings given such terms in section 101 of title 10, United States Code.'

(b) CONFORMING AMENDMENTS-

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period `, or from section 35 of such Code'.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

`Sec. 35. Active duty members of the Armed Forces.

`Sec. 36. Overpayments of tax.'

(c) EFFECTIVE DATE- The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

END